



## *Missouri Economic Impact Brief*

# The Economic Impact of Department of Defense Contracts in Missouri

## Missouri Department of Defense Contracts – 2014

This brief examines the economic impact of U.S. Department of Defense (DoD) contracts that were awarded to Missouri vendors in 2014. The report finds that these contracts significantly contributed to gross state product, employment, and labor income in 2014. Analysis is based on contracts awarded to Missouri vendors as reported by the Federal Procurement Data System.

## Contract Awards by Industry

In 2014 the Department of Defense awarded 17,118 contracts totaling more than \$6.3 billion to Missouri vendors. The vast majority of contract dollars awarded were in Manufacturing (66%) followed by Professional, Scientific, and Technical Services. The table below shows contract awards by major industry.

**Table 1. U.S. DoD Contract Obligations by Major Industry in Missouri, 2014**

NAICS	Industry	Total
11	Agriculture, Forestry, Fishing and Hunting	\$276,366
21	Mining	\$8,111,144
22	Utilities	\$29,004,109
23	Construction	\$563,220,789
31-33	Manufacturing	\$4,189,861,651
42	Wholesale Trade	\$84,393,527
44-45	Retail Trade	\$435,406,680
48-49	Transportation and Warehousing	\$20,553,184
51	Information	\$166,024,001
52	Finance and Insurance	\$33,803,014
53	Real Estate and Rental and Leasing	\$1,754,889
54	Professional, Scientific, and Technical Services	\$663,215,919
56	Admin and Support and Waste Management	\$18,743,242
61	Educational Services	\$42,856,033
62	Health Care and Social Assistance	\$55,722,274
71	Arts, Entertainment, and Recreation	\$392,055
72	Accommodation and Food Services	\$29,746,697
81	Other Services (except Public Admin)	\$25,349,340
92	Public Administration	\$1,742,713
	<b>TOTAL</b>	<b>\$6,370,177,627</b>

## The Economic Impact of Contract Awards in Missouri

In 2014, U.S. Department of Defense contract spending of over \$6.3 billion to Missouri vendors had a significant impact on the state's economy. These contracts contributed nearly \$5.1 billion to the state's Gross Domestic Product (GDP) and over \$2.8 billion to wage and salary incomes. Spending in the state contributed \$158.4 million to state general revenue during 2014.

Contributions to employment totaled 52,500 due to the contracts awarded. The industries with the greatest employment impacts were Retail Trade (9,179) and Manufacturing (8,309). Major employment contributions due to Department of Defense contracts awarded to Missouri vendors are listed below. Impacts of less than 100 jobs are not included in this table.

**Table 2. Employment Due to the U.S. Department of Defense Contracts in Missouri**

<b>Industry</b>	<b>Employees</b>	<b>Industry</b>	<b>Employees</b>
Retail Trade	9,179	Other Services	2,232
Manufacturing	8,309	Wholesale Trade	2,080
Professional & Technical Services	7,452	Finance & Insurance	1,888
Health Care & Social Assistance	3,671	Agriculture, Forestry, Fishing & Hunting	1,474
Administrative & Waste Services	3,044	Real Estate and Rental and Leasing	1,466
Accommodation & Food Services	2,849	Transportation and Warehousing	1,414
Construction	2,286	Educational Services	1,138

## Methodology

Impact estimates of job, GDP, and income contributions were conducted using the IMPLAN economic model. Contract obligation amounts are from the Federal Procurement Data System (FPDS). This included contracts for all Department of Defense programs. The unclassified contract amounts were matched to vendor and placed in appropriate industries.